



City of
Santa Monica®

Department of Records and Election Services
(City Clerk)
1685 Main Street, Room 102
PO Box 2200
Santa Monica, California 90407-2200

July 26, 2012

Los Angeles County Board of Supervisors
Attn: Sachi A. Hamai, Executive Officer
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 383
Los Angeles, California 90012

Honorable Members:

At your meeting of July 17, 2012, you approved this City's request for consolidation of our Municipal Election with the County's Statewide General Election to be held on November 6, 2012.

Enclosed for your consideration are certified copies of resolutions adding one Ballot Measure to the Santa Monica General Municipal Election and a request to consolidate Santa Monica's municipal election with the County's Statewide General Election. The resolutions were adopted by the City Council of the City of Santa Monica at their regular meeting of July 24, 2012.

Resolution No. 10699 (CCS) is entitled:

"A Resolution Of The City Council Of The City Of Santa Monica Submitting To The Voters A Measure Proposing To Amend The Rent Control Charter Provisions Related To The Computation Of The Annual Adjustment To Rent Ceilings At The General Municipal Election To Be Held On Tuesday, November 6, 2012, And Authorizing City Council Members To File Written Arguments For Or Against The Proposition And Directing The City Attorney To Prepare An Impartial Analysis Of The Measure."

The Ballot language is as follows:

"PROPOSITION " ": Shall the City Charter be amended to allow the annual rent control general adjustment to be based on 75% of the annual percentage change in the Consumer Price Index, but limited to an adjustment between 0% and 6%; and to give the Rent Control Board discretion, after a public hearing, to impose a dollar limit, within the 0-6% range, calculated using the same formula employed when imposing a limit under the existing general adjustment formula?"

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

44 August 14, 2012

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

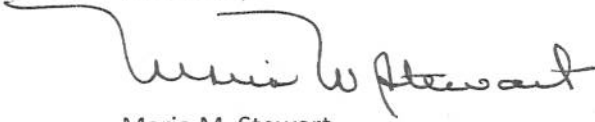
Board of Supervisors
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July 26, 2012

Resolution No. 10700 (CCS) is entitled:

"A Resolution Of The City Council Of The City Of Santa Monica Requesting The Board Of Supervisors Of The County Of Los Angeles To Consolidate A General Municipal Election To Be Held On November 6, 2012 With The Statewide General Election To Be Held On November 6, 2012 Pursuant To § 10403 Of The Elections Code."

It is respectfully requested that this measure be considered at your next meeting of the Board of Supervisors of Los Angeles County, pursuant to California Election Code Sections 10400, 10401, and 10403 and be added to the City's Municipal Election consolidation.

Sincerely,

A handwritten signature in black ink, appearing to read "Maria M. Stewart". The signature is fluid and cursive, with a long horizontal stroke at the beginning.

Maria M. Stewart,
City Clerk, CMC

MMS/md

Enclosures

cc: Los Angeles County Registrar-Recorder, Elections Division



Department of Records and Election Services
(City Clerk)
1685 Main Street, Room 102
PO Box 2200
Santa Monica, California 90407-2200

State of California
County of Los Angeles
City of Santa Monica

I, Maria Dacanay, Deputy Clerk to the City Clerk of the City of Santa Monica, do hereby certify that to the best of my knowledge and belief the foregoing is a full, true and correct copy of **Resolution Number 10699 (CCS)**, which is on file in The City Clerk's Department, and that I have carefully compared the same with the original(s).

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City of Santa Monica, this **26th** day of **July, 2012**.

Maria Dacanay
Administrative Analyst, City Clerk's Office
City of Santa Monica

City Council Meeting 7-24-2012

Santa Monica, California

RESOLUTION NUMBER 10699 , CCS)

(City Council Series)

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF SANTA MONICA SUBMITTING TO THE VOTERS
A MEASURE PROPOSING TO AMEND THE RENT CONTROL CHARTER
PROVISIONS RELATED TO THE COMPUTATION OF THE ANNUAL ADJUSTMENT
TO RENT CEILINGS AT THE GENERAL MUNICIPAL ELECTION TO BE HELD ON
TUESDAY, NOVEMBER 6, 2012, AND AUTHORIZING CITY COUNCIL MEMBERS TO
FILE WRITTEN ARGUMENTS FOR OR AGAINST THE PROPOSITION AND
DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS OF
THE MEASURE

WHEREAS, City Charter Section 1805, which governs the annual
adjustment to the ceilings on allowable rents for rent controlled units, was last
amended by the voters in 1985; and

WHEREAS, among other things, Section 1805 allows the Rent Control
Board, after holding a public hearing, to adjust the rent ceiling up or down for all
controlled rental units or for particular categories of units and to postpone the
effective date of the change; and

WHEREAS, for nearly thirty years, the Rent Control Board has implemented Section 1805 by using a complex methodology known as the "component ratio to gross rent" formula; and

WHEREAS, over the years both the Rent Control Board and its staff have observed that actual changes in expenses may be determined for only a small portion of landlords' expenses considered under the current methodology; and

WHEREAS, the survey process is both costly and time consuming; and

WHEREAS, the Rent Control Board and its staff believe that the present formula is so complex that it can make results unpredictable and that it is very difficult for the public to understand; and

WHEREAS, an amendment to the way that annual adjustments are made will correct the shortcomings existing in the current law.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA MONICA DOES RESOLVE AND PROCLAIM AS FOLLOWS:

SECTION 1. A General Municipal Election has been called for November 6, 2012, for the purpose, among other things, of electing certain City Council members.

SECTION 2. At the General Municipal the City Council of the City of Santa Monica also wishes to submit a measure proposing an amendment to the City of Santa Monica City Charter to the voters.

SECTION 3. At the General Municipal Election called for November 6, 2012, the following measure shall be submitted to the qualified electors of the City of Santa Monica:

<i>PROPOSITION " ": Shall the City Charter be amended to allow the annual rent control general adjustment to be based on 75% of the annual percentage change in the Consumer Price Index, but limited to an adjustment between 0% and 6%; and to give the Rent Control Board discretion, after a public hearing, to impose a dollar limit, within the 0-6% range, calculated using the same formula employed when imposing a limit under the existing general adjustment formula?</i>	Yes
	No

SECTION 4. The City Clerk shall transmit to the City Attorney, in accordance with applicable law, a copy of the proposed measure. The City Attorney shall prepare an impartial analysis of it, which shall not exceed 500 words in length. The impartial analysis shall be filed by the date set by the City Clerk for the filing of primary arguments. In accordance with applicable law, not less than 10 calendar days before the City Clerk submits the official election materials for printing, the City Clerk shall make a copy of all applicable elections materials available for public examination in the City Clerk's office.

SECTION 5. The City Council authorizes its members, as follows, to file written arguments for or against the measure described above and which is contained in Exhibit 1 to this Resolution, which Exhibit is incorporated by reference herein:

FOR: Councilmember Pam O'Connor

AGAINST: _____

All written arguments filed by any person in favor of or against any measure, including any rebuttal arguments, shall be accompanied by the names and signatures of the persons submitting the argument as required by applicable law, and any names, signatures and arguments may be filed until the time and date fixed by the City Clerk in accordance with applicable law, after which no change may be submitted to the City Clerk unless permitted by law.


SECTION 6. The City Clerk shall cause the text of the measure, which is contained in Exhibit 1, together with the City Attorney impartial analysis, and any arguments for or against the measure, as well as any rebuttal, to be mailed to all qualified voters with the sample ballot. In addition to other notices and publications required by law, the City Clerk, not less than forty (40) days and not more than sixty (60) days before the General Municipal Election, shall cause the text of the measure to be published once in the official newspaper and in each edition thereof during the day of publication. The City Clerk is authorized to give such notices and to fix such times and dates as are required by law or which are appropriate to conduct properly the election.

SECTION 7. The provisions of Resolution Numbers 10680 (CCS), 10681 (CCS), and 10682(CCS) are referred to and incorporated into this resolution for more

particulars concerning the conduct of General Municipal Election to be held on November 6, 2012, and in all respects the election shall be held and conducted as provided for by applicable law. The City Clerk is authorized and directed to procure and furnish any official ballots, notices, printed materials and all supplies or equipment that may be necessary in order to properly and lawfully conduct the election.

SECTION 8. The City Clerk shall certify to the adoption of this Resolution, and thenceforth and thereafter the same shall be in full force and effect.

APPROVED AS TO FORM:


MARSHA JONES MOUTRIE
City Attorney

PROPOSAL OF THE CITY COUNCIL OF THE CITY OF SANTA MONICA TO AMEND

THE CITY CHARTER

Section 1803. Permanent Rent Control Board.

(g) RULES AND REGULATIONS: The Board shall issue and follow such rules and regulations, including those which are contained in this Article, as will further the purposes of the Article. The Board shall publicize its rules and regulations prior to promulgation in at least one newspaper of general circulation in the City of Santa Monica. The Board shall hold at least one (1) public hearing to consider the views of interested parties ~~prior to the adoption of general adjustments of the decision~~ **before deciding whether to impose a dollar-amount ceiling on a general adjustment under Section 1805(b) or deciding** to decontrol or reimpose control for any class of rental units under Section 1803(r). All rules and regulations, internal staff memoranda, and written correspondence explaining the decisions, orders, and policies of the Board shall be kept in the Board's office and shall be available to the public for inspection and copying. The Board shall publicize this Article so that all residents of Santa Monica will have the opportunity to become informed about their legal rights and duties under Rent Control in Santa Monica. The Board shall prepare a brochure which fully describes the legal rights and duties of landlords and tenants under Rent Control in Santa Monica. The brochure will be available to the public, and each tenant of a controlled rental unit shall receive a copy of the brochure from his or her landlord.

Section 1804. Maximum Allowable Rents

(b) **ESTABLISHMENT OF BASE RENT CEILING:** Beginning one-hundred-twenty (120) days after the adoption of this Article, no landlord shall charge rent for any controlled rental units in an amount greater than the rent in effect on the date one year prior to the adoption of this Article. The rent in effect on that date is the base rent ceiling and ~~is a reference point from which fair rents shall be adjusted upward or downward in accordance with Section 1805.~~ If there was no rent in effect on the date one year prior to the adoption of this Article, the base rent ceiling shall be the rent that was charged on the first date that rent was charged following the date one year prior to the adoption of this Article. For tenancies commencing on or after January 1, 1999, which qualify for a vacancy rent increase pursuant to state law, the base rent ceiling is the initial rental rate in effect on the date the tenancy commences. As used in this subsection, the term "initial rental rate" means only the amount of rent actually paid by the tenant for the initial term of the tenancy. **The base rent ceiling is the reference point from which the rent ceiling shall be adjusted upward or downward in accordance with Section 1805.**

Section 1805. Individual and General Adjustment of Ceilings on Allowable Rents.

(a) **ANNUAL** GENERAL ADJUSTMENT: ~~The Board may, after holding those public hearings prescribed by Section 1803(g), set and adjust upward or downward the rent ceiling for all controlled rental units in general and/or for particular categories of controlled rental units deemed appropriate by the Board. Such an adjustment,~~

however, need not take effect immediately, and the Board may decide that new rent ceilings shall not take effect until some reasonable date after the abovestated time periods No later than June 30 each year, the Board shall announce the percentage by which rent ceilings for eligible units will be generally adjusted effective September 1 of that year.

- (1) The adjustment shall be equal to seventy five percent of the percentage increase in the Consumer Price Index (All Urban Consumers, Los Angeles, Riverside, Orange County region, or any successor designation of that index that may later be adopted by the U.S. Bureau of Labor Statistics) as reported and published by the U.S. Department of Labor, Bureau of Labor Statistics, for the 12-month period ending as of March of the current year.
- (2) In determining the allowable percentage increase, numbers of .04 and below shall be rounded down to the nearest tenth decimal place and numbers of .05 and above shall be rounded up to the nearest tenth decimal place.
- (3) Subparagraph 1 of this subsection notwithstanding, in no event shall the general adjustment be less than zero percent or greater than six percent.

(b) DOLLAR-AMOUNT CEILING:

Each year the Board shall generally adjust rents as follows:

- ~~(1) Adjust rents upward by granting landlords a utility and tax increase adjustment for actual increases in the City of Santa Monica for taxes and utilities.~~
- ~~(2) Adjust rents upward by granting landlords a maintenance increase adjustment for actual increases in the City of Santa Monica for maintenance expenses.~~
- ~~(3) Adjust rents downward by requiring landlords to decrease rents for any actual decreases in the City of Santa Monica for taxes.~~ **The Board may, in its discretion, impose a dollar-amount limit to any annual general adjustment. The dollar-amount limit shall be calculated using the following methodology:**

(1) The Board shall determine the eighty fifth percentile of the maximum allowable rent of all controlled units;

(2) The Board shall then determine the eighty fifth percentile of maximum allowable rent of all controlled units with a base rent established before January 1, 1999;

(3) The dollar-amount limit shall be the average of the two rents arrived at under paragraphs (1) and (2) multiplied by the annual general adjustment determined under paragraph (a) of this Section.

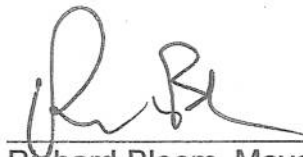
~~In adjusting rents under this subsection, the Board shall adopt a formula of general application.~~

- (e) In making individual and general adjustments of the rent ceiling, the Board shall consider the purposes of this Article and the requirements of law. **In making an individual downward adjustment, the Board may consider decreases in living**

space, furniture, furnishings, equipment, or services; substantial deterioration of the controlled rental unit other than as a result of ordinary wear and tear; or failure on the part of the landlord to provide adequate housing services or to comply substantially with applicable housing, health and safety codes. In making an individual upward adjustment, the Board may adopt employ as its fair

return standard any lawful formula, including but not limited to one based on investment or net operating income. The Board shall consider all factors relevant to the formula it employs; ~~s~~Such factors may include: increases or decreases in operating and maintenance expenses; the extent of utilities paid by the landlord; necessary and reasonable capital improvement of the controlled rental unit as distinguished from normal repair, replacement and maintenance; increases or decreases in living space; furniture, furnishings, equipment, or services; substantial deterioration of the controlled rental unit other than as a result of ordinary wear and tear; failure on the part of the landlord to provide adequate housing services or to comply substantially with applicable housing, health and safety codes; federal and state income tax benefits; the speculative nature of the investment; whether or not the property was acquired or is held as a long term or short term investment; the landlord's rate of return on investment; the landlord's current and base date Net Operating Income; and any other factor deemed relevant by the Board in providing the landlord a fair return.

Adopted and approved this 24th day of July, 2012.



Richard Bloom, Mayor

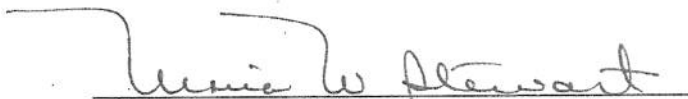
I, Maria M. Stewart, City Clerk of the City of Santa Monica, do hereby certify that the foregoing Resolution No. 10699 (CCS) was duly adopted at a meeting of the Santa Monica City Council held on the 24th day of July, 2012, by the following vote:

AYES: Councilmembers Holbrook, McKeown, O'Connor, O'Day,
Mayor Pro Tem Davis, Mayor Bloom

NOES: None

ABSENT: Councilmember Shriver

ATTEST:



Maria M. Stewart, City Clerk

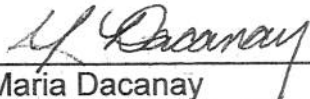


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State of California
County of Los Angeles
City of Santa Monica

I, Maria Dacanay, Deputy Clerk to the City Clerk of the City of Santa Monica, do hereby certify that to the best of my knowledge and belief the foregoing is a full, true and correct copy of **Resolution Number 10700 (CCS)**, which is on file in The City Clerk's Department, and that I have carefully compared the same with the original(s).

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City of Santa Monica, this **26th** day of **July, 2012**.



Maria Dacanay
Administrative Analyst, City Clerk's Office
City of Santa Monica

RESOLUTION NUMBER 10700 (CCS)

(City Council Series)

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF SANTA MONICA
REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS
ANGELES TO CONSOLIDATE A GENERAL MUNICIPAL ELECTION TO BE HELD ON
NOVEMBER 6, 2012 WITH THE STATEWIDE GENERAL ELECTION TO BE HELD ON
NOVEMBER 6, 2012 PURSUANT TO § 10403 OF THE ELECTIONS CODE.

WHEREAS, the City Council of the City of Santa Monica called a Municipal Election to be held on November 6, 2012, and adopted Resolutions Numbers 10680, 10681 and 10682 with respect to the election, for the purpose of the election of Members of the City Council, the City of Santa Monica Rent Control Board, the Santa Monica-Malibu Unified School District and the Santa Monica College Community College District; and

WHEREAS, the City Council is also submitting to the voters a proposed amendment to the City Charter; and

WHEREAS, it is desirable that the General Municipal Election be consolidated with the Statewide General election to be held on November 6, 2012 and that within the City, the precincts, polling places and election officers of the two elections be the same, and that the county election department of the County of Los Angeles canvass the

returns of the General Municipal Election and that the election be held in all respects as if there were only one election.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA MONICA DOES NOW RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. That pursuant to the requirements of § 10403 of the Elections Code, the Board of Supervisors of the County of Los Angeles is requested to consent and agree to the consolidation of all aspects of a General Municipal Election with the Statewide General Election scheduled on Tuesday, November 6, 2012 , for the purpose of the election of Members of the City Council, the City of Santa Monica Rent Control Board, the Santa Monica-Malibu Unified School District and the Santa Monica College Community College District.

SECTION 2. That a measure is to appear on the ballot as follows:

PROPOSITION " ": Shall the City Charter be amended to allow the annual rent control general adjustment to be based on 75% of the annual percentage change in the Consumer Price Index, but limited to an adjustment between 0% and 6%; and to give the Rent Control Board discretion, after a public hearing, to impose a dollar limit, within the 0-6% range, calculated using the same formula employed when imposing a limit under the existing general adjustment formula?	YES
	NO

SECTION 3. That the county election department is authorized to canvass the returns of all aspects of the General Municipal Election. The election shall be held in all respects as if there were only one election, and only one form of ballot shall be used.

SECTION 4. That the Board of Supervisors is requested to issue instructions to the county election department to take any and all steps necessary for the holding of the consolidated election.

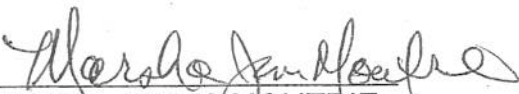
SECTION 5. That the City of Santa Monica recognizes that additional costs will be incurred by the County by reason of this consolidation and agrees to reimburse the County for any costs.

SECTION 6. That the provisions of City Council adopted resolutions, Resolution Numbers 10680, 10681 and 10682, are incorporated into this resolution.

SECTION 7. That the City Clerk is directed to file a certified copy of this resolution with the Board of Supervisors and with the county election department of the County of Los Angeles.

SECTION 8. The City Clerk shall certify to the adoption of this Resolution, and thenceforth and thereafter the same shall be in full force and effect.

APPROVED AS TO FORM:


MARSHA JONES MOUTRIE
City Attorney

Adopted and approved this 24th day of July, 2012.



Richard Bloom, Mayor

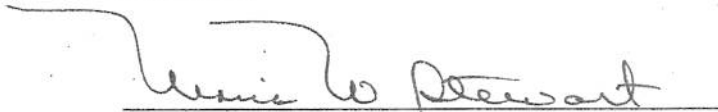
I, Maria M. Stewart, City Clerk of the City of Santa Monica, do hereby certify that the foregoing Resolution No. 10700 (CCS) was duly adopted at a meeting of the Santa Monica City Council held on the 24th day of July, 2012, by the following vote:

AYES: Councilmembers Holbrook, McKeown, O'Connor, O'Day,
Mayor Pro Tem Davis, Mayor Bloom

NOES: None

ABSENT: Councilmember Shriver

ATTEST:



Maria M. Stewart, City Clerk